



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

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DAVID E. JANSSEN
Chief Administrative Officer

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January 12, 2007

To: Supervisor Zev Yaroslavsky, Chairman
Supervisor Gloria Molina
Supervisor Yvonne B. Burke
Supervisor Don Knabe
Supervisor Michael D. Antonovich
[Signature]
From: David E. Janssen
Chief Administrative Officer

TRIAL COURT FACILITIES ACT OF 2002: QUARTERLY UPDATE

On November 12, 2002, your Board instructed my office to report on the implementation of SB 1732 (Escutia, Statutes of 2002) and to provide quarterly updates thereafter. SB 1732 is the legislation which requires the transfer of county courthouses to the State. This is one in a series of reports on the subject and covers October through December 2006 activities.

San Fernando Court Transfer

The County continues to work with the State Administrative Office of the Courts (AOC) on the transfer of the San Fernando Court, but with little progress. As requested by the AOC in August, the County streamlined the draft transfer agreement term sheet and provided the revised draft to them on September 15, 2006. We are awaiting their comments on the major terms to be included in the transfer agreement. County staff have submitted all the documents required for the AOC's due diligence, as well as a draft of the County Facilities Payment form, which will establish the mandatory maintenance-of-effort payment required by the legislation. Square footage allocations between the County and State have been resolved to our satisfaction. There has been no further movement by the AOC on the San Fernando Court.

Transfer of Other Courthouses

Both the AOC and various counties, as well as the California State Association of Counties (CSAC), have come to believe that the State Legislature will be very reluctant to extend the June 30, 2007 deadline for transfer of trial court facilities, due to the slow progress to date on the transfer of facilities Statewide. Therefore, the AOC has stepped up its transfer processes in order to complete the transfer of a significant number of

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facilities before the deadline. My office met with AOC staff on December 14, 2006, to devise a plan to simplify procedures and requirements and to identify facilities with minimal issues, in order to transfer as many courts as possible over the next few months. The next set of facilities to be transferred includes leases (San Pedro Annex, Redondo Beach Courthouse, Monrovia Warehouse), as well as those courts that may be eligible for funding for replacement or upgrade in the near term, based on the AOC's priority capital outlay listing (Long Beach Courthouse, Huntington Park Courthouse, Santa Clarita Courthouse, and McCourtney Juvenile Justice Center).

We are working diligently to provide the AOC with the documentation they need to effect the transfer of the additional seven facilities.

Seismic Issue

With the passage of SB 10 (Dunn, Chapter 444 of 2006), counties are able to transfer overall responsibility for court facilities in buildings with a preliminary seismic rating that had, prior to SB 10, been unacceptable to the State. However, unless counties can show that a building deserved a higher rating, or unless they upgrade the building, counties will continue to be required to retain liability for seismic damage to courthouses that are transferred under SB 10. Although the County of Los Angeles does not typically insure our buildings, except when they are financed, we are working cooperatively with CSAC, other counties, and the State to examine the feasibility of an insurance-type pool, which would spread the potential liability among the participants for seismic damage to county-responsible buildings.

Other Recent Activities

The County continues to meet quarterly with other southern California counties to share experience and knowledge gained in the transfer process, as well as to participate in monthly, and as-needed, Statewide conference calls with CSAC. We will provide the next quarterly report in April 2007.

If you have any questions regarding this matter, please let me know or you may contact John Edmisten of my staff at (213) 974-7365.

DEJ:JSE
MV:AT:mdc

c: Executive Officer, Board of Supervisors
Auditor-Controller
County Counsel
Internal Services Department
Department of Public Works